such a potential for increased liability could have a chilling effect in the secondary market, making liquidity less available. Fortunately, this amendment was not adopted.

Mr. Chairman, this bill is a good measure that deserves support. Further legislation may be required to address our Nation's mortgage crisis and assist families in Colorado and across the country in restructuring loans and recovering from this financial disaster, but this bill is a necessary part of the response to problem that might have terribly negative impacts on our economic future—and I urge its passage.

Mr. MCNERNEY. Mr. Chairman, we are in a housing crisis that has led to instability and increases in criminal activity that is destroying our communities. While some people took out risky loans that they could not afford, many were caught up in exaggerated promises and the predatory lending practices that blossomed in recent years.

Stockton, California, in my congressional district, is unfortunately at the center of it all. One out of every 31 homes in Stockton faces foreclosure—the highest rate in the country.

While there is no magic bullet to solve the problems in the housing market, the bill we are voting on today is an important part of our nation's comprehensive response to the surge in foreclosures.

We are establishing common-sense home-buyer protections to ensure that responsible real estate professionals can provide safe mortgage products.

Owning one's own home is the American Dream and promoting responsible home ownership is a policy that makes sense. In Congress, I will continue working for sensible policies to encourage home ownership and the stable communities it creates.

I am proud to support this bill, and I urge my colleagues to do the same.

Mr. CONYERS. Mr. Chairman, I rise in support of H.R. 3915, the Mortgage Reform and Anti-Predatory Lending Act of 2007, legislation to combat abusive practices and improve oversight of the mortgage industry.

The Mortgage Reform and Anti-Predatory Lending Act of 2007 will reform mortgage practices in three areas. First, the bill will establish a Federal duty of care, prohibit steering, and call for licensing and registration of mortgage originators, including brokers and bank loan officers. Second, the new legislation will set a minimum standard for all mortgages which states that borrowers must have a reasonable ability to repay. Third, the legislation attaches limited liability to secondary market securitizers who package and sell interest in home mortgage loans outside of these standards. However, individual investors in these securities would not be liable. Finally, the bill expands and enhances consumer protections for "high-cost loans" under the Home Ownership and Equity Protection Act and includes important protections for renters of foreclosed homes.

Passage of H.R. 3915 could potentially help hundreds of thousands of homeowners across this Nation who are facing home foreclosures, and need more flexible terms in paying back their mortgages given that we are experiencing increased job layoffs; especially in Detroit and the State of Michigan. According to the Michigan Association of Realtors, the State of Michigan is in deep systematic recession. The auto industry has lost tens of thousands of jobs in the past few years, and there are more cuts to come.

In fact, Michigan saw 11,554 new foreclosures filings in February 2007. That put one of every 366 Michigan households at risk of losing a home because of missed mortgage payments. The Wayne County/Detroit area reported 6,653 new foreclosures in January of 2007, more than twice the number reported in December 2007. That amounts to one new filing for every 124 households. H.R. 3915 would create a more progressive and equitable home mortgage loan policy that will help scores of working families across this Nation and Michigan keep their homes; and prevent them from becoming homeless. This legislation will address the ongoing practice of routing unsuspecting borrowers into loans that are not appropriate for their needs and that they can't afford. H.R. 3915 will also stop the practice of creative loan financing by unscrupulous brokers who may unnecessarily increase the fees and costs to write the loan.

Treasury Secretary Henry Paulson called the housing downtown "the most significant current risk to the U.S. economy." Last week Federal Reserve Chairman Ben Bernanke said the situation will get worse before it gets better. Many believe that faulty mortgage lending practices have precipitated this credit crisis, and that the situation will get worse before it gets better. Therefore, I believe that this legislative remedy is a much needed remedy in a time of crisis.

I want to thank my friend Chairman BARNEY FRANK and my Republican colleagues for their bipartisan work to create an outstanding piece of legislation that moves us in a proactive direction. In conclusion, let me say that this comprehensive bill brings sweeping and much-needed changes to the mortgage market. It will reform many of the flaws in the current system that has led to the mortgage foreclosure crisis. The American people have asked us to provide the tools and oversight necessary to address this crisis and we have been able to achieve that goal. I whole heartedly give my complete support to this legislation. It is my belief that this bill reflects the principles of the Democratic Party which historically has ensured that the Federal Government will provide a safety net and protection for working families in a time of need.

Mr. SHAYS. Mr. Chairman, H.R. 3915, the Mortgage Reform and Anti-Predatory Lending Act is a measure response to the ongoing subprime mortgage crisis that sets some minimum Federal standards for home loans and reasonable accountability standards for lenders.

Setting restrictive standards on borrowers with weak credit profiles and higher risk of default could be counterproductive and limit access to credit to individuals who, without the subprime market, would be unable to get loans and have a part of the American Dream.

Recent increases in subprime borrower foreclosures and lender bankruptcies, however, have prompted concerns that some lenders' underwriting guidelines are too loose and that some borrowers have not fully understood the risks of the mortgage products they chose.

To remedy this problem, the bill would require lenders to first document that prospective borrowers can repay both during any discounted introductory period and after the rate rises to market levels. In language that would directly expose lenders to liability, the loans would be required to have a "net tangible benefit" for the borrowers.

While I agree with the bill's approach, I am concerned about some provisions. For example, I am not certain that prohibiting mortgage brokers from earning yield spread premiums on loans they make to individuals in the subprime market will prevent a great deal of fraud and abuse, and it could lead to mortgage brokers being locked out of this market.

There is wide agreement, however, that the bill's licensing standards for lenders are needed, and these standards are a primary factor in my support for the legislation. Licensing will lead to more educated lenders, which will in turn lead to borrowers who end up with the most suitable mortgage.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the amendment in the nature of a substitute printed in the bill shall be considered as an original bill for the purpose of amendment under the 5-minute rule and shall be considered read.

The text of the committee amendment is as follows:

H.R. 3915

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Mortgage Reform and Anti-Predatory Lending Act of 2007''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows: